

## **ASPIRE Act Legislative Section-by-Section**

### **SECTION 1 SHORT TITLE**

Title – “Access, Success, & Persistence in Reshaping Education (ASPIRE) Act of 2019”

### **SECTION 2(a) IMPROVING COLLEGE ACCESS AND COMPLETION FOR ALL STUDENTS**

Amends Part G of title IV of the Higher Education Act of 1965 by adding the following:

#### **SECTION 493E(a) DEFINITIONS**

Defines average student-related expenditure; institution of higher education; low-income or working-class student; moderate-income student; remedial course; and underrepresented minority.

#### **SECTION 493E(b) IMPROVING COLLEGE ACCESS**

Requires four-year institutions that wish to receive title IV funds or for their students to receive title IV assistance to participate in the following program to improve college access.

**CALCULATION OF PERCENTAGES OF FEDERAL PELL GRANT RECIPIENTS** – Each academic year, the Secretary will calculate each institution’s percentage of first-time, full-time students that receive a Federal Pell Grant (referred to in this document as “Pell enrollment percentage”).

**RANKING AND TRIGGER MARK** – Each academic year, the Secretary will rank institutions based on their Pell enrollment percentages then determine the trigger mark, which is the Pell enrollment percentage marking the bottom five percent of all ranked institutions.

**SAFE HARBOR MARK** – The year the program is enacted, the Secretary will determine the safe harbor mark, which is the Pell enrollment percentage marking the bottom ten percent of all ranked institutions. If the trigger mark ever reaches the safe harbor mark, no institution will be subject to penalties.

**CONSEQUENCES OF LOW RANKING** – Each academic year, the Secretary will notify institutions in the bottom five percent that they must meet or rise above the trigger mark for that year, or else face penalties.

- **APPEAL** – An institution has 90 days to appeal. An institution will be automatically removed from the bottom five percent if its preceding three-year average meets or exceeds the bottom five percent trigger.
- **PLAN AND CALCULATION OF AVERAGE** – Within one year, an institution must develop a plan to meet or rise above the trigger mark. The Secretary will grant the institution one hold harmless academic year after notification, then calculate its average Pell enrollment percentage over the next three academic years.
- **FAILURE TO IMPROVE** – If an institution’s average three-year Pell enrollment percentage remains below the trigger mark, the Secretary will impose penalties. The Secretary can delay imposing penalties for up to two years if an institution’s Pell enrollment percentage for the most recent academic year is at or above the trigger mark.

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After the delay, the Secretary will calculate a new three-year average and impose penalties if it is below the trigger mark.

- **PENALTIES** – The Secretary will impose a fee-per-student penalty determined by multiplying the institution’s average student-related expenditure by the number of Pell-eligible students the institution would need to enroll to meet the trigger mark.
- The Secretary will collect penalty fees within one year and use the fees to fund the Completion Improvement and Completion Bonus Programs.
- An institution may not reduce the amount of institutional need-based grant aid it awards to students or increase tuition or fees in order to pay a penalty fee.
- **APPEAL** – An institution can appeal the penalties, including the penalty amount.

### **SECTION 493E(c) IMPROVING COMPLETION**

Requires four-year institutions that wish to receive title IV funds or for their students to receive title IV assistance to participate in the following program to improve college completion.

- **ELECTION** – An institution that is a public or nonprofit institution of higher education may elect to not participate in the Completion Improvement Program by opting out. Any institution that elects to be exempt from penalties is not eligible to receive a grant under the Completion Improvement or Bonus Programs, and this election satisfies the participation requirement.

**CALCULATION OF PERCENTAGES OF COMPLETION** – Each academic year, the Secretary will calculate each institution’s percentage of enrolled students who graduate within six years (referred to in this document as “completion rate”).

**RANKING AND TRIGGER MARK** – Each academic year, the Secretary will rank institutions based on their completion rates then determine the trigger mark, which is the completion rate marking the bottom five percent of ranked institutions.

- **PEER GROUP ADJUSTMENT** – Each academic year, the Secretary shall establish peer groups of approximately 10-15 institutions, but no less than three institutions, based on institutional characteristics. If an institution is in the bottom five percent of schools based on completion rate, but in the top two-thirds of institutions ranked in the institution’s peer group, the institution shall be automatically removed from the bottom five percent ranking for completion rates.

**SAFE HARBOR MARK** – The year the program is enacted, the Secretary will determine the safe harbor mark, which is the completion rate marking the bottom ten percent of ranked institutions. If the trigger mark ever reaches the safe harbor mark, no institution will be subject to penalties.

**CONSEQUENCES OF LOW RANKING** – Each academic year, the Secretary will notify institutions that they are in the bottom five percent.

- **APPEAL** – An institution has 90 days to appeal. An institution will be automatically removed from the bottom five percent if its preceding three-year average meets or exceeds the bottom five percent trigger.

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- **PLAN AND CALCULATION OF AVERAGE** – Every fifth academic year, an institution must develop a plan to meet or rise above the trigger mark. The Secretary will grant an institution two hold harmless years after notification, then calculate its average completion rate over the next three academic years.
- **UNDER-RESOURCED YEARS** – In determining the next three academic years to average, the Secretary will skip any academic year in which less than \$25 million is available for the Completion Improvement Program.
- **FAILURE TO IMPROVE** – If an institution has an average three-year completion rate that is below the trigger mark, the Secretary will impose penalties. The Secretary can delay imposing penalties for up to two years if an institution's completion rate for the most recent academic year is at or above the trigger mark. After the delay, the Secretary will calculate a new three-year average and impose penalties if it is below the trigger mark.
- **PENALTIES** – The first year an institution is subject to a penalty, it must pay the Secretary an amount equal to 25 percent of the funds it received under the bill. If, by the second penalty year, the institution's updated three-year average is still below the trigger mark, it must pay an amount equal to 40 percent of the funds it received under the bill. If, by the third penalty year, the institution's updated three-year average is still below the trigger mark, it will pay back 50 percent of the funds it received under the bill. Thus, if an institution fails to improve through the entire penalty phase, it will pay back the entire grant plus a 15 percent fine. For-profit institutions that fail to improve after 5 years from initial identification will pay a \$1 million fine (these schools are not eligible to receive funds under Completion Improvement Program).
- The Secretary may waive penalties in order to avoid extreme hardship for enrolled students. The Secretary may allow institutions to enter into a payment plan.
- When subject to penalty fees, institutions must ensure that students receive their full amount of title IV funding. Institutions are prohibited from reducing need-based aid or raising tuition or fees in order to pay penalty fees.
- The Secretary will collect penalty fees within one year and use the fees to fund the Completion Improvement and Bonus Programs.
- **APPEAL** – An institution can appeal penalties.

### **SECTION 493E(d) COMPLETION IMPROVEMENT PROGRAM**

From penalty fees collected under section 493E(b), the Secretary will award grants to support evidence-based reforms to improve completion rates.

**ELIGIBILITY** – An institution is eligible to receive a grant if it is a public or nonprofit institution that falls in the completion bottom five percent and has not elected to be exempted from penalties.

**DETERMINATION OF GRANT AMOUNT** – The total maximum grant amount will equal an institution's Pell weight multiplied by the total amount of penalty fees collected under section 493E(b). An institution may choose to receive a grant amount that is less than the maximum.

- An institution's Pell weight equals the institution's undergraduate Pell enrollment percentage divided by the sum of the Pell enrollment percentages of all public and

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nonprofit institutions that fall in the completion bottom five percent and have not elected to be exempted from penalties.

- If the grant amount according to this formula exceeds \$2 million for an institution, the grant amount will be capped at \$2 million, with remaining funds going to the Completion Bonus Program.

**USE OF FUNDS** – An institution must use grant funds for evidence-based reforms that are part of the improvement plans they develop to rise out of the bottom five percent. Reforms could include increasing need-based aid, enhancing academic and loan counseling, strengthening data-driven efforts, and closing completion gaps.

### **SECTION 493E(e) COMPLETION BONUS PROGRAM**

From remaining funds after Completion Improvement Program grants are awarded, the Secretary will award grants to support evidence-based reforms to improve completion rates.

**ELIGIBILITY** – An institution is eligible to apply to receive a grant if it does not fall in the access or completion bottom five percent groupings.

**PRIORITY AND CONSIDERATION** – Priority in awarding grants will go to eligible HBCUs or other minority-serving institutions. An institution's affordability, student loan repayment rate, and other factors may also be considered.

**USE OF FUNDS** – An institution must use grant funds for reforms and practices to improve completion rates. Reforms could include increasing need-based aid, enhancing academic and loan counseling, strengthening data-driven efforts, and closing completion gaps.

### **SECTION 493E(f) NON-FINANCIAL REWARD BONUS PROGRAM**

The Secretary will award non-financial rewards to institutions that have a proven record of affordability, access, and success for low- and moderate-income or working class students.

**ELIGIBILITY** – An institution is eligible to apply if its Pell enrollment percentage falls within the top 50 percent of ranked institutions; its completion rate falls within the top 25 percent of ranked institutions; and it is not under Federal investigation for an academic or financial irregularity.

**PRIORITY** – Priority will go to institutions with small or diminishing gaps in completion rates for low-income or working class students and for underrepresented minority students.

Non-financial rewards may include a reduced likelihood of being chosen for program reviews, extra points in competitive grant program formulas, waiving the multiple disbursement rule or disbursement delays, and preferable status for experimental sites.

### **SECTION 493(g) BEST PRACTICES**

The Secretary shall establish a publicly available electronic database identifying best practices of institutions ranked in the bottom five percent on Pell enrollment or completion rates, as well as institutions awarded grants under the Completion Bonus Program.

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### **SECTION 493(h) ACCOUNTABILITY RULE OF CONSTRUCTION**

States that nothing in this section shall be construed to affect accountability provisions under other laws.

### **SECTION 493E(i) AUTHORIZATION OF APPROPRIATIONS**

Authorizes to be appropriated to carry out this section sums as may be necessary.

**SECTION 2 (b)** Within 2 years of enactment, the Secretary will submit a report to Congress providing recommendations on ways to expand this section to institutions with predominantly associate's degree-seeking students and other institutions not covered by this section.